

## Message Text

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46

ACTION EB-07

INFO OCT-01 EUR-12 NEA-09 ISO-00 COME-00 TRSE-00 L-02

CIAE-00 INR-07 NSAE-00 INT-05 FEAE-00 /043 W

----- 026612

R 281319Z MAR 75

FM AMEMBASSY ALGIERS

TO SECSTATE WASHDC 2182

INFO AMEMBASSY PARIS

AMEMBASSY LONDON

AMCONSUL ROTTERDAM

C O N F I D E N T I A L ALGIERS 0806

E.O. 11652: GDS

TAGS: ENRG, AG

SUBJ: TRUCK SALES AND ALGERIAN OIL

REF: PARIS 07440

1. ALGERIANS HAVE A NEW IDEA FOR INCREASING THEIR SALES OF OIL AT PUBLISHED PRICE OF DOLS 11.75 A BARREL. AS STATED TO INTERNATIONAL HARVESTOR, NEW IDEA IS NOT A BARTER DEAL BUT RATHER A PREQUALIFICATION STEP. A SELLER OF GOODS TO ALGERIA MUST FIRST FIND A BUYER OF ALGERIAN OIL. THIS BUYER WILL BUY OIL FROM SONATRACH AT DOLS 11.75 A BARREL. ONCE AGREEMENT REACHED THEN SONATRACH PICKS UP PONE AND AUTHORIZES NATIONAL COMPANY INTERESTED IN BUYING GOODS THAT IT CAN NEGOTIATE WITH FOREIGN SELLER. THER IS NO GUARANTEE FINDER OF BUYER OF ALGERIAN OIL WILL GET PURCHASE ORDER AND/OR THAT HE WILL BE ABLE TO SELL HIS GOODS FOR HIGHER PRICE TO COVER INCENTIVE HE MAY HAVE TO GIVE HIS BUYER OF ALGERIAN OIL.

2. PAST BARTER DEALS INVOLVING ALGERIAN OIL HAVE NOT MATERIALIZED. DESPITE STATE CONTROL, ONE STATE CORPORATION DOES NOT WISH TO ACCEPT THE COSTS OF HELPING ANOTHER COMPANY. EMBASSY'S INITIAL REACTION IS THAT LATEST PLOY  
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WILL ALSO FOUNDER ON INTERNAL ALGERIAN BUREAUCRATIC PRO-

BLEMS, BUT IT IS OF NOTE AS SIGN OF PROBLEMS ALGERIANS  
ARE HAVING SELLING THEIR OIL AND OF QUESTIONABLE  
SCHEMES THAT WILL BE DEVISED TO MOVE OIL.

3. EMBASSY HAS USED NAME OF US CORPORATION ASKING ADVICE  
ON THIS PROPOSAL, BUT US CORPORATION NAME SHOULD BE  
CAREFULLY PROTECTED. INTERNATIONAL HARVESTER IS BIDDING  
ON 34 MILLION DOLLARS OF EXPORTS OF ALL TERRAIN VEHICLES  
TO SONACOME AND 458 MILLION DOLLARS OF HEAVY TRUCKS FOR  
DELIVERY IN 1975-77 PERIOD. THEY ALSO ARE NEGOTIATING  
WITH LESS INTEREST ON 1.2 BILLION DOLLARS OF CONSTRUCTION  
EQUIPMENT. FINALLY, THEY ARE TALKING TO SONACOME ON  
TRUCK AND CONSTRUCTION EQUIPMENT PLANTS WHICH WOULD RUN  
INTO AN ADDITIONAL 2 BILLION DOLLARS. WITH THESE TYPES  
OF FIGURES IN SIGHT, EVEN IF SLIGHTLY UNREALISTIC, GREAT  
CARE MUST BE TAKEN TO PROTECT INTERNATIONAL HARVESTER OR  
EMBASSY AS SOURCE OF NEW PLOY TO PUSH ALGERIAN OIL PRICES.  
EMBASSY DOES NOT KNOW HOW WIDESPREAD THIS DEAL IS, BUT  
EUROPEAN AND JAPANESE COMPETITORS FOR ALL TERRAIN  
VEHICLES ARE SAID TO HAVE EXPRESSED INTEREST.  
INTERNATIONAL HARVESTER IS GOING TO RECONSIDER MATTER  
AND PROBABLY WILL BE BACK TO ALGIERS FIRST WEEK OF APRIL.  
PARKER

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## Message Attributes

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